



The Directors  
Australian Gas Networks Limited  
Level 6  
400 King William Street  
ADELAIDE SA 5000

20 April 2022

Dear Directors,

***Independent assurance report on the limited assurance procedures performed over actual gas volumes reported for the period 1 July 2020 to 30 June 2021 on the 2022/23 proposed distribution tariffs schedule of the South Australian gas distribution network for Australian Gas Networks Limited***

***Scope***

In accordance with the terms of engagement letter dated 23 February 2022, we were engaged by Australian Gas Networks Limited (the “Company”) to perform an independent limited assurance engagement in respect of the actual gas volumes reported (the “Subject Matter”) for the South Australian gas distribution networks for the period 1 July 2020 to 30 June 2021 (the “Period”) on the attached 2022/23 proposed distribution tariffs schedule. The criteria (the “Criteria”) against which we assessed the Subject Matter is set out in Section 4.4.1 of the South Australian Access Arrangement for the period 1 July 2021 to 30 June 2026 (“the Access Arrangement”).

***The Company’s responsibilities***

The Company is responsible for the preparation of the 2022/23 proposed distribution tariffs schedule, including the actual gas volumes reported for the period 1 July 2020 to 30 June 2021 in accordance with the Criteria. In addition, the directors are responsible for the accuracy of the reported actual gas volumes for the period 1 July 2020 to 30 June 2021 on the 2022/23 proposed distribution tariffs schedule.

***Our Independence and Quality control***

We have complied with relevant ethical requirements related to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and*

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*Related Services Engagements* the firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***Our responsibilities***

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained over the reported actual gas volumes included on the 2022/23 proposed distribution tariffs schedule as required by the Access Arrangement.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. That standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the 2022/23 proposed distribution tariffs schedule has not been prepared, in all material respects, in accordance with the Criteria, for the Period. The procedures we performed were based on our professional judgement and included:

- Agreeing gas volumes for the period reported on the 2022/23 proposed distribution tariffs schedule to information from the APA billing system;
- Comparing reported gas volumes for the year ended 30 June 2021 to reported gas volumes for the year ended 30 June 2020 and obtaining explanations for material variances;
- Tracing a sample of invoices for the billing period to the underlying source data that is used to compile the 2022/23 proposed distribution tariffs schedule and vice versa; and
- Testing of mathematical accuracy of the 2022/23 proposed distribution tariffs schedule.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### ***Use of report***

This report was prepared for the directors of Australian Gas Networks Limited in accordance with their requirements to lodge a proposed distribution tariffs schedule with the Australian Energy Regulator (“AER”). We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the directors of Australian Gas Networks Limited, or for any purpose other than that for which it was prepared.

### ***Inherent limitations***

Because of the inherent limitations of any work planned and executed under ASAE 3000, it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the preparation of the proposed distribution tariffs schedule for South Australia as measured against the Criteria, as it is limited primarily to



making enquiries, of the Company, and applying analytical procedures. The limited assurance conclusion expressed in this report has been formed on the above basis.

***Conclusion***

Based on our completion of limited assurance procedures, which is not an audit, nothing has come to our attention that causes us to believe that the reported actual gas volumes for the period 1 July 2020 to 30 June 2021 on the 2022/23 proposed distribution tariffs schedule have not been prepared, in all material respects, in accordance with Section 4.4.1 of the South Australian Access Arrangement for the period 1 July 2021 to 30 June 2026.



PricewaterhouseCoopers



Nicola Craven  
Partner

Adelaide  
20 April 2022

**Tariff Approval - Australian Gas Networks (South Australia)**

**2022/23 PROPOSED DISTRIBUTION TARIFFS**

Proposed tariff name	Existing tariff name	Actual 2020/21 Volumes	Exist 2021/22 Tariff	Prop 2022/23 Tariff	Exist Tar Revenue	Prop Tar Revenue
Tariff R - Envestra South Australia (excl Tanunda)	Tariff R - Envestra South Australia (excl Tanunda)	4,098,671				2,654,299
Fixed Charge	Fixed Charge	164,758,258	0.2970	0.3073	48,933,203	50,630,213
First 0.0274 GJ	First 0.0274 GJ	3,472,737	30.4104	32.3305	105,607,308	112,275,309
Next 0.0219 GJ	Next 0.0219 GJ	1,399,793	10 8035	10.8035	15,122,661	15,122,661
Additional GJ	Additional GJ	2,928,936	3.6573	3.6573	10,711,998	10,711,998
Tariff C - Envestra South Australia (excl Tanunda)	Tariff C - Envestra South Australia (excl Tanunda)					
Fixed Charge	Fixed Charge	4,098,671	0.6258	0.6476	2,564,948	2,654,299
First 0.9863 GJ	First 0.9863 GJ	1,301,622	14.9984	16.0032	19,522,255	20,830,125
Next 4.2740 GJ	Next 4.2740 GJ	1,136,710	5.9784	5.9784	6,795,704	6,795,704
Next 11.1780 GJ	Next 11.1780 GJ	554,062	2.5826	2.5826	1,430,920	1,430,920
Additional GJ	Additional GJ	203,782	1.9988	2.1366	407,320	435,401
Tariff R - Envestra Tanunda	Tariff R - Envestra Tanunda					
Fixed Charge	Fixed Charge	88,701	0.2970	0.3073	26,344	27,258
First 0.0274 GJ	First 0.0274 GJ	1,818	39 5334	42.0296	71,877	76,416
Next 0.0219 GJ	Next 0.0219 GJ	655	14 0444	14.0445	9,205	9,205
Additional GJ	Additional GJ	2,614	4.7545	4.8725	12,430	12,738
Tariff C - Envestra Tanunda	Tariff C - Envestra Tanunda					
Fixed Charge	Fixed Charge	12,188	0.6258	0.6476	7,627	7,893
First 0.9863 GJ	First 0.9863 GJ	5,526	19.4978	20.8041	107,738	114,956
Next 4.2740 GJ	Next 4.2740 GJ	6,229	7.7719	7.7719	48,413	48,413
Next 11.1780 GJ	Next 11.1780 GJ	3,175	3.3574	3.3573	10,658	10,658
Additional GJ	Additional GJ	16	2.5984	2.7775	42	45
Tariff D - Envestra Adelaide Northern	Tariff D - Envestra Adelaide Northern					
50 GJ or less (customer num)	50 GJ or less (customer num)	61	2,593 8365	2,714.1302	1,898,688	1,986,743
Next 50GJ	Next 50GJ	2,757	50.4355	52.7744	1,668,608	1,745,988
Next 900GJ	Next 900GJ	12,899	31.4867	32.9469	4,873,763	5,099,785
Additional GJ	Additional GJ	21,655	9.5403	9.9827	2,479,142	2,594,104
Tariff D - Envestra Adelaide Central	Tariff D - Envestra Adelaide Central					
50 GJ or less (customer num)	50 GJ or less (customer num)	35	2,593 8365	2,714.1302	1,089,411	1,139,935
Next 50GJ	Next 50GJ	1,435	59 8957	62.6734	1,031,404	1,079,236
Next 900GJ	Next 900GJ	6,045	38 0909	39.8574	2,763,114	2,891,256
Additional GJ	Additional GJ	104	10.9159	12.5980	13,623	15,722
Tariff D - Envestra Adelaide Southern	Tariff D - Envestra Adelaide Southern					
50 GJ or less (customer num)	50 GJ or less (customer num)	12	2,593 8365	2,714.1302	373,512	390,835
Next 50GJ	Next 50GJ	500	70 6352	73.9110	423,811	443,466
Next 900GJ	Next 900GJ	723	44 2366	46.2881	383,797	401,596
Additional GJ	Additional GJ		13 3406	13.9592	-	-
Tariff D - Envestra Port Pirie	Tariff D - Envestra Port Pirie					
50 GJ or less (customer num)	50 GJ or less (customer num)	1	2,593 8365	2,714.1302	31,126	32,570
Next 50GJ	Next 50GJ	50	50.4347	52.7737	30,261	31,664
Next 900GJ	Next 900GJ	900	17.4790	18.2895	188,773	197,527
Additional GJ	Additional GJ	3,000	8.7825	9.1496	316,170	329,386
Tariff D - Envestra Riverland	Tariff D - Envestra Riverland					
50 GJ or less (customer num)	50 GJ or less (customer num)	1	3,661 2621	3,831.0595	43,935	45,973
Next 50GJ	Next 50GJ	50	73 6419	77.0571	44,185	46,234
Next 900GJ	Next 900GJ	197	45 8885	48.0166	108,480	113,511
Additional GJ	Additional GJ		9.5403	9.9827	-	-
Tariff D - Envestra South East	Tariff D - Envestra South East					
50 GJ or less (customer num)	50 GJ or less (customer num)	3	2,593 8365	2,714.1302	93,378	97,709
Next 50GJ	Next 50GJ	150	50.4347	52.7737	90,782	94,993
Next 900GJ	Next 900GJ	285	26 0317	27.2389	89,028	93,157
Additional GJ	Additional GJ		9.5403	9.9827	-	-
Tariff D - Envestra Peterborough	Tariff D - Envestra Peterborough					
50 GJ or less (customer num)	50 GJ or less (customer num)	-	-	-	-	-
Next 50GJ	Next 50GJ	-	-	-	-	-
Next 900GJ	Next 900GJ	-	-	-	-	-
Additional GJ	Additional GJ	-	-	-	-	-
Tariff D - Envestra Whyalla	Tariff D - Envestra Whyalla					
50 GJ or less (customer num)	50 GJ or less (customer num)	1	2,593 8365	2,714.1302	31,126	32,570
Next 50GJ	Next 50GJ	16	50.4347	52.7737	9,683	10,133
Next 900GJ	Next 900GJ		26 0317	27.2389	-	-
Additional GJ	Additional GJ		9.5403	9.9390	-	-